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March 22, 2012

FILED/ACCEPTED

## **VIA HAND DELIVERY**

Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554 MAR 22 2012

Federal Communications Commission Office of the Secretary

Re: Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses; Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC For Consent To Assign Licenses, WT Docket No. 12-4, Response to Information and Discovery Request

## Dear Ms. Dortch:

Bright House Networks, LLC ("Bright House Networks") hereby submits its responses to the "Information and Discovery Request for Bright House Networks" issued by the Wireless Telecommunications Bureau on March 8, 2012. These responses and accompanying data and documents contain Confidential and Highly Confidential Information and are being submitted pursuant to the Protective Order and Second Protective Order in this proceeding. This Highly Confidential version of the filing will be made available for inspection pursuant to the terms of the Protective Orders. The redacted, public version has been filed under separate cover. Copies of each version of this filing will be provided to the Secretary's Office and the Wireless Telecommunications Bureau as directed by the Protective Orders and the Information Request.

See Letter from Rick Kaplan, Chief, Wireless Telecommunications Bureau, to Cody Harrison, Sabin, Bermant & Gould LLP, WT Docket No. 12-4 (Mar. 8, 2012) ("March 8 Letter") (attaching the "Information Request").

In re Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses, Protective Order, WT Docket No. 12-4, DA 12-50 (WTB Jan. 17, 2012) ("Protective Order"); In re Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses, Second Protective Order, WT Docket No. 12-4, DA 12-51 (WTB Jan. 17, 2012) ("Second Protective Order") (collectively, "Protective Orders").

See March 8 Letter at 1-2.

Ms. Marlene Dortch March 22, 2012 Page 2

This submission consists of the enclosed narrative responses to Specifications 6, 7, 16, 17, and 18.

Bright House Networks has complied with Specification 1 in its *ex parte* notice filed in this matter on March 20, 2012. In response to Specification 20, it is Bright House Networks' understanding that Comcast has produced the responsive material. If you need additional copies, please let us know.

Bright House Networks has endeavored conscientiously to ensure that none of the documents it is submitting herewith is privileged under the attorney-client privilege or attorney work product doctrine. To the extent that any privileged documents may have been inadvertently produced, such production does not constitute waiver of any applicable privilege. Bright House Networks requests that any privileged documents inadvertently produced be returned to Bright House Networks as soon as such inadvertent production is discovered by any party, and reserves all rights to seek the return of any such documents.

Please feel free to contact me if you have questions concerning this matter.

Respectfully submitted,

/s/ Robert G. Kidwell

Robert G. Kidwell

Counsel to Bright House Networks, LLC

Enclosures

cc: John Spencer (with enclosures)

## **Specification No. 6**

Provide a timeline of the discussions concerning the Proposed Transaction, including:

- a) dates of various discussions between principals and representatives of the parties;
- b) dates of meetings of the boards of directors where the matter was discussed; and
- c) dates of interactions between advisors and the boards of directors or management.

Provide all plans, analyses, and reports presented at these discussions, meetings and interactions.

## Response to Specification No. 6

The chronology below is based upon a review of relevant documents and discussions with certain executive officers of Bright House Networks ("BHN"). During the period covered by the chronology, there were numerous meetings, discussions, telephone conversations and email communications regarding the transactions and agreements in question involving lower level employees. The chronology does not attempt to cite all such communications and activities, but rather, aims to capture key events or discussions among executive officers. In addition, many of these meetings and conversations described below were attended by numerous individuals making it impossible to reconstruct with precision each and every participant at these meetings and conversations. In identifying meetings or discussions involving BHN and any of its advisors that may be subject to the attorney-client privilege or any other privilege or immunity from discovery, this submission is not intended to waive privilege with respect to such discussions or the subjects or contents thereof.

DATE	EVENT			
11/18/2011	Counsel for BHN are informed that there is a proposed deal,			
	and that there are deal documents available for review at the			
	offices of Comcast's counsel Davis Polk. Counsel for BHN			
	review drafts of certain of the deal documents at the offices			
	of Davis Polk.			
11/22/2011 through	Senior executives of BHN discuss the transaction generally			
11/30/2011	with senior executives of Comcast and, separately, TWC in a			
	series of telephone calls.			
12/1/2011	Counsel for BHN and Mr. Cloutier of BHN attend an in-			
	person negotiation session at the offices of Comcast's			
	counsel Davis Polk attended by representatives from			

	Comcast, TWC, BHN, and Verizon Wireless.		
12/2/2011	The negotiation session begun on 12/1 concludes early in the		
	morning on 12/2.		

Responsive plans, analyses, and reports will be provided.

## **Specification No. 7**

Paragraph 14 of the Pick Declaration states that SpectrumCo would need to secure nationwide roaming agreements, and that doing so "posed another complicating factor" and "would impose further costs and business complexity." Describe in detail your Company's efforts to negotiate roaming agreements, including whether your Company signed any roaming or wholesale agreements, and provide a timeline for all negotiations. Explain how the failure to obtain a nationwide roaming agreement affected your Company. Provide all plans, analyses, and reports from January 31, 2006 to the present, discussing:

- a) past or current roaming or wholesale negotiations and agreements;
- b) consideration of roaming or wholesale proposals or agreements; and
- c) the cost of roaming or wholesale including but not limited to discussions between Verizon Wireless and BHN.

## Response to Specification No. 7

BHN considered roaming availability and pricing to be one of the major obstacles to an effective entry into the wireless market, and it was one of the major uncertainties of any model created. As such, roaming was consistently a key component of the analysis and a key risk factor. BHN attempted to negotiate roaming agreements, but was unable to obtain commercially reasonable terms. BHN also attempted to collect market information related to the roaming market and obtained estimates from consultants and suppliers in the industry. The following list provides descriptions of BHN's agreements and negotiations relating to roaming.

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Responsive plans, analyses, and reports will be provided.

## **Specification No. 16**

From January 31, 2006 to the present provide a detailed list of:

- a) all potential buyers and dates of relevant discussions for sale of some or all the spectrum that is subject to the Proposed Transaction;
- b) all potential investors for BHN; and
- c) all potential lessees of some or all of the spectrum that is subject to the Proposed Transaction.

Provide all documents from January 31, 2006 to the present discussing the decision not to pursue any such transaction or business association with those listed in the above response.

## Response to Specification No. 16

Responsive documents will be provided.

## 16 (a):

The chart on the following pages lists all potential buyers of some or all of the SpectrumCo AWS spectrum, potential investors in SpectrumCo, and the dates of relevant discussions regarding potential transactions involving the SpectrumCo AWS spectrum. It does not include certain other discussions that occurred but which did not result in serious explorations of business arrangements involving the SpectrumCo AWS spectrum (as evidenced by the fact that the parties did not execute non-disclosure agreements).

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As described in the Public Interest Statement, in 2009, Cox redeemed its interest in SpectrumCo in exchange for the share of the AWS spectrum to which it was entitled. *See* Public Interest Statement at 2. Comcast does not address Cox's exit from SpectrumCo in this response.

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# <u>16 (b):</u>

None.

## 16 (c):

SpectrumCo leased portions of the AWS spectrum to the entities listed on the chart below.

SpectrumCo Leases (Active, Canceled, and Expired)

Lessee Call Sign Lease ID Start Date End Date						
Lessee	Can Sign	Number	Start Date	Enu Date		
Cox TMI Wireless, LLC	WQGA934	L000005368	05/08/2009	04/28/2014		
Nokia Siemens Networks US LLC	WQGB201	L000007709	09/03/2010	06/03/2011 (Expired)		
Nokia Siemens Networks US LLC	WQGB201	L000009090	12/17/2011	06/02/2012		
Qualcomm Incorporated	WQGB223	L000003946	10/18/2008	10/10/2009 (Canceled 01/30/2009)		
Qualcomm Incorporated	WQGA906	L000003945	10/18/2008	10/10/2009 (Canceled 01/30/2009)		
Qualcomm Incorporated	WQGB223	L000002461	10/12/2007	10/10/2008 (Expired)		
Qualcomm Incorporated	WQGA906	L000002460	10/12/2007	10/10/2008 (Expired)		
Samsung Telecommunications America LLC	WQGB201	L000008975	11/08/2011	06/30/2012		

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## **Specification No. 17**

Michael J. Angelakis, CFO of Comcast, has made several public statements about the intent to use the AWS Spectrum, including in 2008 at the Citigroup Eighteenth Annual Entertainment Conference ("we also don't feel the immediate pressure of needing a wireless product"); on September 16, 2009 at the Goldman Sachs Communacopia Conference ("We don't want to be the seventh competitor in a market that we think is mature from the voice side. And it's a huge economic investment, which we're uncomfortable there's a real return for."), and on September 20, 2011 at the Goldman Sachs Communacopia Conference ("[w]e have no desire to own a wireless network"). Most recently, in early January 2012 at a Citi Entertainment, Media and Telecommunications Conference, Mr. Angelakis, in describing the SpectrumCo and Verizon transaction, stated that "we never really intended to build that [S]pectrum." Provide all documents that discuss Mr. Angelakis's statements. Explain to what extent Mr. Angelakis's statements accurately reflect the opinions and intent of SpectrumCo and each of its Owners with respect to the use of the Spectrum. Provide all documents from January 31, 2006 to the present regarding those opinions and/or intent.

## Response to Specification No. 17

BHN's consistent goal has been to develop and explore potential uses of the spectrum as part of a viable long-term business plan. BHN spent considerable time, resources and millions of dollars to analyze potential entry into the wireless market with a network build using the AWS spectrum on a regional basis within BHN's footprint. As the analyses evolved over time, BHN determined that a regional network build on its own presented unacceptable business risks.

It is BHN's view that the cited quotes of Mr. Angelakis have been taken out of context and therefore do not accurately reflect the opinion of BHN or SpectrumCo with respect to the use of the Spectrum. SpectrumCo bought the AWS spectrum with every intention of using it to enable SpectrumCo's owners to provide their customers with a wireless service, although the scale, type and business case for that service was undetermined at the time of the purchase. In fact, over the course of several years, SpectrumCo undertook extensive and time-consuming efforts to investigate the provision of mobile broadband service using the AWS spectrum it acquired at auction in 2006. For example:

• SpectrumCo invested more than \$20 million to clear incumbent microwave links in the AWS spectrum service area. More than 500 incumbents have been cleared.

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- SpectrumCo conducted, between 2007 and 2009, extensive operational testing of different 4G technologies for use with AWS spectrum, including WiMAX, UMB, and LTE.
- SpectrumCo tested equipment for use with AWS spectrum, independently and with other equipment manufacturers, such as Qualcomm.

SpectrumCo considered a variety of factors relevant to the spectrum, including the significant cost of building a wireless network, capacity and additional spectrum requirements (particularly in light of consumers' increasing demand for data-rich mobile services), and issues related to roaming and handset availability. SpectrumCo also explored a variety of different business plans and ventures for providing advanced wireless services over the spectrum, such as acquisitions, joint ventures, and network sharing arrangements with other wireless companies. Having explored the available options, SpectrumCo concluded that there were substantial financial risks associated with construction of a wireless network, whether independently or in combination with another provider, with no guarantee of a return on the investment. For all of these reasons, SpectrumCo made the business decision not to become a standalone, facilities-based wireless provider and instead entered into the proposed transaction with Verizon Wireless.

Responsive documents will be provided.

## **Specification No. 18**

Describe in detail and provide all documents discussing whether and if so how the Company:

- a) conditioned or otherwise connected its decision to enter into the Spectrum License Purchase Agreements on the execution or consummation of any of the Agreements or any other commercial agreement or arrangement; or
- b) conditioned or otherwise connected its decision to enter into any of the Agreements on the execution or consummation of the Spectrum License Purchase Agreements, any of the other Agreements, or any other commercial agreement or arrangement;

The response should include, but not be limited to, the nature of and the purposes or objectives underlying any such condition or connection.

## Response to Specification No. 18

The Spectrum License Purchase Agreement and the Commercial Agreements were negotiated and signed concurrently, as is common practice among parties simultaneously negotiating multiple mutually-beneficial agreements. BHN would not have entered into the Spectrum License Purchase Agreement had the other parties not come to terms on the commercial agreements. In that sense, the transactions were integrated. This integration was important for BHN's goal of establishing a viable strategy and business plan to provide wireless options to its customers. BHN viewed the spectrum as a strategically important element of that plan, and it would not have relinquished the AWS licenses without having in hand alternative ways of achieving its wireless goals.

As a legal matter the Spectrum License Purchase Agreement and the Commercial Agreements are separate from and not contingent on each other. In fact, with the exception of the executory Reseller Agreement, the Commercial Agreements are in effect today, but the AWS license assignments have not occurred, as they require Commission approval (and completion of the Hart-Scott-Rodino review process at the Department of Justice). Moreover, if the License Purchase Agreement is not approved, the Commercial Agreements nevertheless will remain in effect, and if the parties were to terminate the Commercial Agreements, the License Purchase Agreement would still be effective.

Responsive documents will be provided.